

Exhibit 3

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

NSC Investment, LLC and TGC/Korea Operating,
LLC,

Plaintiffs,

-v-

POSCO Engineering & Construction Co., Ltd.,

Defendant.

Civil Action No. 19-CV-02498 (JGK)

DECLARATION OF STANLEY C. GALE

STANLEY C. GALE declares, under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the following is true and correct:

1. My name is Stanley C. Gale. I live in Huntington, New York. I am over the age of eighteen; I am a citizen of the United States; and I am competent to testify to the matters stated herein. Unless otherwise indicated, I have personal knowledge of the facts stated herein.

2. I am the CEO of the Gale Investments Company, LLC (“Gale”), which is the majority owner and manager of Plaintiffs NSC Investment, LLC (“Gale Songdo”) and TGC/Korea Operating, LLC (“Gale Korea”).

3. My family is one of the ten largest real estate developer families in New York. Our legacy began when my grandfather established the Daniel Gale Agency in New York in 1922. I personally have been in real estate development for more than thirty years, in which time I have established and run multiple, successful real estate development firms, including Gale Songdo and Gale Korea, from my office in New York City.

4. Due in large part to my and my family’s reputation in the real estate development industry, Mayor KiSum Choi of Incheon, South Korea asked me to take the lead in developing the

Songdo International Business District (“Songdo”) on land reclaimed from the West Sea near the Incheon International Airport.

5. As instructed by the Korean government, I partnered with POSCO Engineering & Construction Co., Ltd. (“POSCO”) to develop Songdo. POSCO had previously worked with other U.S. companies on separate projects.

6. Gale entered into two joint ventures with POSCO: New Songdo International City Development LLC (the “Joint Venture”) and Gale International Korea, LLC (“GIK”). Gale Songdo is the 70.1% owner of the former, and Gale Korea is the 70.1% owner of the latter. POSCO is the 29.9% owner of each entity and the primary construction contractor on the Songdo project.

7. Through Gale Songdo, I created the Joint Venture with POSCO in 2002. The purpose of the Joint Venture was, and remains, to own, operate, develop, and otherwise manage the Songdo project. The terms of the Joint Venture’s operations and of our partnership with POSCO are set forth in the Joint Venture’s operating agreement. As the Joint Venture’s Representative Director, I managed the business of the company and oversaw every aspect of the project from New York City.

8. GIK was established in 2004 to handle day-to-day operations for the Joint Venture.

9. I worked directly with POSCO on all aspects of the project, including financing, design, marketing, relationships with the relevant government entities, the structuring of the project, agreements between the parties, and executing agreements with strategic partners for the benefit of Songdo. From my office in New York City, I was directly involved in the negotiation and execution of the contracts at issue in the Complaint.

10. Since 2002, POSCO has worked with my team in New York in an effort to transform what were once mere mudflats into an internationally acclaimed “smart-connected” city.

I am proud that Songdo is now home to the landmark Northeast Asia Trade Tower, luxury hotels, a convention center modeled after the iconic Sydney Opera House, an international school, a 100-acre Central Park, and a Jack Nicklaus Signature golf course and clubhouse, among many other stunning achievements.

11. With POSCO's approval, a significant amount of the work on this project was carried out by my team in New York. Both Gale Songdo and Gale Korea are based in New York City. Over the lifetime of the Project, Gale and Gale's affiliates had approximately twenty-five employees dedicated to this project located in their New York offices. The master plan for the design of the city was led and developed in my New York offices.

12. Additionally, we entered into strategic partnerships with leading New York-based firms, including the engineering firm, Arup Group Limited, the architecture firm Kohn Pedersen Fox Associates ("KPF"), the public relations firm TK PR, and environmental consultants Whitman Strategies to provide services for Songdo.

13. POSCO and my companies worked directly with Arup and KPF to design and execute the vision of a first-class international city that drove the project. For instance, KPF would execute the design work in New York, and those designs would then be sent to Korea for review by POSCO and Gale. Through the Joint Venture, POSCO and Gale would then communicate with KPF in New York via email and teleconferences to make those design plans a reality. POSCO members were included on nearly all communications with Arup and KPF and were intimately involved in directing and approving the work that was being done with these New York firms for Songdo. Through these partnerships, POSCO reaped the benefits of New York's finest construction and design teams to transform Songdo into a world-class city. POSCO also used the talents of New York marketing firms to advertise our achievements, including in the New York

Times in a successful bid for additional investment from U.S. firms (including from Cisco Systems, which provided all the wiring for Songdo's residential units).

14. To be clear, while these efforts benefited Gale, the Joint Venture, and Songdo, they also benefited POSCO. In fact, at one time, POSCO even asked our New York teams to be sure the POSCO name was more prominently included on marketing materials in New York to maximize POSCO's visibility and credit.

15. Naturally, throughout the lifetime of the project, POSCO representatives routinely placed phone calls and sent e-mails to individuals that they knew were in New York, sent documents and correspondence to our teams in New York, and visited our offices, our strategic partners, and our representatives in New York for Board meetings and discussions necessary to carry out the project. These discussions, correspondence, and visits occurred during the negotiations of the LLC Agreements and the Unit Pledge Agreement, central to the operations and financing of the Project, as well as over the course of the project more generally.

16. On January 15, 2008, for instance, POSCO's Executive Vice President Moon-pyo Lee attended Songdo's first Global Marketing Event in New York City to raise awareness of the Joint Venture's efforts on the project and to attract multinational corporations to Songdo.

17. From April 14-16, 2008, POSCO representatives—including Deputy General Manager Kang-sik Choi, Chief Technical Officer Kwang-jae Lee, and Kwang-jae Lee's associates, DongSu Huh and Nakjung Sung—again came to New York City to discuss, among other things, the landscaping and markup for Songdo.

18. On July 25, 2008, I hosted POSCO's President Hak-bong Ko, Senior Executive Vice President Yong-kyung Cho, Executive Vice President Moon-pyo Lee, and Chief Technical Officer Kwang-jae Lee at my home on Long Island for a meeting regarding the architecture and

design plans and the financing structure of the Project. During this meeting, we also discussed the importance of making an investment into the quality of life for the future citizens of Songdo; it was my philosophy, which I impressed upon POSCO, that it was important not only to build housing and offices, but also parks, hospitals, and world-class schools to ensure that future Songdonians would love their city. I frequently entertained POSCO members on Long Island during the course of the project, often bringing them to my home for dinner or golf following our business meetings in New York City, which allowed us to discuss the business of the Songdo project in a less formal setting.

19. On December 4, 2008, POSCO's Senior Executive Vice President Yong-kyung Cho and Executive Vice President Moon-pyo Lee joined Gale Songdo and Gale Korea in New York City for a Board of Directors meeting for the Joint Venture. This meeting was held in the aftermath of the 2008 global financial crisis, and the discussions at the meeting largely revolved around developing a way forward so that we could continue the project notwithstanding the pressures exerted by the economic crisis. At this meeting, I also raised my concerns with POSCO's construction overcharges.

20. From October 4–5, 2009, POSCO's Executive Vice President DeGaulle Kang (the Songdo Group Leader), Executive Vice President Moon-pyo Lee, and Legal Counsel So-hyun Choi attended another meeting in New York City to negotiate the realignment of our partnership — a realignment that led to the LLC Agreements that currently govern our relationship. Around this time the conflict of interest inherent to the project—*i.e.*, POSCO's dual role as construction contractor and member of the Joint Venture—had begun to create a widening gap between what was in the best interests of the Joint Venture and the Songdo project and POSCO's interests in maximizing construction profits. The discussions at this meeting revolved around resolving that

conflict and realigning the partnership so that POSCO would be fully engaged in working toward what was best for the Joint Venture and Songdo. Additionally, we discussed the problem of construction approvals and design changes – many of which had been happening without my or the Joint Venture Board’s approval. The resulting changes to the LLC Agreements that currently govern the Joint Venture and GIK were a result of the negotiations and discussions surrounding these issues at this New York meeting.

21. On October 26, 2009, the Joint Venture held a Board of Directors meeting in New York City. POSCO’s Executive Vice Presidents Moon-pyo Lee and DeGaulle Kang discussed options for financing the project with a representative from Morgan Stanley.

22. From Summer 2010 through August 2011, I worked with POSCO and the New York branch of Shinhan Bank (located in New York City) to secure a loan enabling us to simplify Gale Songdo’s ownership structure, and, by extension, the Joint Venture’s ownership structure. Much of the negotiations for that loan took place in New York City.

23. During this time, POSCO faced an arbitration in New York in connection with Songdo. On October 15, 2010, Kitson & Partners Clubs Asia, Inc. filed a Request for Arbitration against the Joint Venture. Gale and POSCO retained counsel in New York to defend the Joint Venture and filed an answer on December 23, 2010. POSCO’s Senior Vice President and Head of Construction Department Yong-bin Lim and Legal Counsel So-hyun Choi played a leading role in coordinating the Joint Venture’s defense, and the parties acknowledged that New York had jurisdiction over the dispute. The Joint Venture and GIK were represented by the New York law firm Kelley, Drye & Warren, which had previously provided services to the entities for the benefit of both Gale and POSCO.

24. From June 1–5, 2015, my team held meetings with PricewaterhouseCoopers’ New

York office in New York City for the purposes of tax planning and developing solutions to our phantom income issues. POSCO's representatives on the Joint Venture's Board recommended the use of PricewaterhouseCoopers' New York branch to try and find solutions to these issues.

25. In October 2015, the CFO of POSCO, Yong-doo Cho, visited me in New York. During that visit, we discussed the future of our partnership and the governance issues that had developed over the course of the project. Yong-doo Cho assured me at this meeting that the governance and transparency issues that had plagued the relationship between POSCO and Gale would be a thing of the past. He announced that he was eager to move forward as full and trusting partners on the project.

26. On February 11, 2016, I held a meeting in New York City with Chairman Kwon Oh-joon of POSCO Group, POSCO's parent company. At this meeting, we discussed the wrongdoings by POSCO executives involved in the Songdo project, including the abuse of my official corporate seal, the construction overcharges, and the conflict of interest regarding the construction contract. In an attempt to move the project forward, I asked Chairman Kwon to replace the POSCO actors that had been manipulating and abusing their control over GIK. Chairman Kwon refused but assured me that he would put an end to the abuses.

27. From April 2–6, 2016, POSCO CFO Yong-doo Cho, Executive Vice President DeGaulle Kang, and Vice President of Finance Hee-nam Lee, came to New York City yet again to negotiate a resolution to the dispute regarding POSCO's mismanagement of the Songdo project, including the hundreds of millions of dollars in construction overcharges, lack of construction cost transparency, and refusal to assist in addressing Gale Songdo's phantom income issues in the United States. At the meetings, we discussed all aspects of the Joint Venture's operations, including a realignment of our partnership, changes to the Joint Venture's management and

staffing structure, and requirements for reframing the Joint Venture's development loans.

28. In addition, POSCO Chairman Kwon Oh-joon and I attended the Korea Society Annual Dinner in New York City on May 18, 2016. At the dinner, we again discussed the impasse between POSCO and Gale.


29. Unfortunately, despite our best efforts, the gulf between our views and POSCO's views on the overall objectives for and governance of Songdo widened. We endeavored to remain true to the original vision of the project — creating an internationally renowned city to attract foreign development with successful marketing campaigns in New York and partnerships with leading New York firms. POSCO increasingly focused on the singular goal of maximizing construction profits by wresting total control of the project from us. POSCO's maneuvering caused substantial damage, diminishing the quality of construction and design in Songdo and the quality of life for Songdo's residents.

30. POSCO has filed various suits in the Korean courts against Gale, including suits related to the construction overcharges, continuing to show that it is wholly focused on maximizing construction profits, in any way possible. POSCO has a demonstrated pattern of seeking recourse in the Korean courts. As POSCO noted in its Answer and Counterclaim to the Request for Arbitration, suits were initiated in the Korean courts in relation not only to the construction overcharges, but also the abuses of the Joint Venture's corporate seal, the use of surplus revenue from the project, and the repayment of the package 4 loan. Throughout our relationship, POSCO has never hesitated to go to the Korean courts to seek assistance in response to any perceived slight.

31. In the end, to oust my company from the project, POSCO forced our Joint Venture into a default on our development loans, subrogated those loans, and then seized and purported to sell our Joint Venture units.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: New York, New York
November 13th, 2019.



STANLEY C. GALE